Licences to Private Sector Insurance Companies

*439. SHRI P. PRABHAKAR REDDY:
SMT. JAYAPRADA NAHATA:

Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that the Insurance Development Regulatory Authority (IRDA) would be issuing soon the first licence to prospective private sector insurance companies;

(b) if so, whether rules and regulations for their entry have been finalised;

(c) if the answer to part (b) is in the affirmative, the details thereof; and

(d) whether the statutory and professional organisations like Reserve Bank of India, Institute of Chartered Accountants of India and Actuarial Society of India have been consulted in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) to (c) The Insurance Regulatory and Development Authority (IRDA) has been constituted on 19th April, 2000. It will now constitute an Advisory Committee as required under Section 25 of the IRDA Act. The regulations governing the entry of new players in the Indian insurance market will be prepared by IRDA in consultation with the Advisory Committee. Only then will applications be invited by IRDA for new licenses to prospective private sector insurance companies.

(d) IRDA has informed that they would be consulting professional organisations like Actuarial Society of India, Institute of Chartered Accountants of India and other professional bodies for preparation of necessary regulations.

Increase in Inflation

†*440. SHRIMATI SARLA MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of inflation as on March 25th 2000 was the highest in the last 45 weeks; and

(b) if so, to what extent the Railway Budget as well as General Budget for the current year have been responsible for the above increase?

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† Original notice of the question was received in Hindi.